

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
INCOME TAX REFERENCE NO.303 OF 1998

The Commissioner of Income-tax ..Applicant.

V/s.

Menon & Menon Pvt. ..Respondent.

Mr.A.S.Rao for applicant.

Mr.P.V.Vaidya for respondent.

CORAM : V.C. DAGA AND
J.P.DEVADHAR, JJ.

DATED : 15TH MARCH, 2005.

P.C. :-

1. In this reference, the question referred for the opinion of this Court reads as under :-

" Whether, on the facts and in the circumstances of the case, the I.T.A.T. is legally justified in holding that remuneration paid to the assessee's Managing Director is governed by the provisions of section 40(c) of the Act and not by the provisions of Section 40A(5) of the I.T.Act ? "

2. The above question has already been answered by the Division Bench of this Court in the case of **C.I.T. V/s. Hico Products Pvt.Ltd. (No.1) [(1993) 201 I.T.R. 567 (Bom.)** in favour of the assessee and against the revenue. In this view of the matter, question stands answered in affirmative for the reasons stated in the case of **Hico Products (P) Ltd. Reference**, accordingly stands disposed of with no order as to costs.

(V.C. DAGA, J.)

(J.P.DEVADHAR, J.)

